

Message Text

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72

ACTION ARA-17

INFO OCT-01 ADP-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 DODE-00 PM-09 H-02 L-03 NSC-10

PA-03 PRS-01 SS-15 USIA-12 OMB-01 TRSE-00 RSR-01 /104 W
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R 262252 Z APR 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 4145

INFO USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 SANTIAGO 1808

USCINCSO FOR POLAD

EO 11652: GDS

TAGS: CI PINT

SUBJ: HEADING FOR A CRUNCH AGAIN?

1. SUMMARY. RECENT DAYSHAVE WITNESSED INTENSIFYING GOVT-
OPPOSITION CONFLICT IN MANY FORMS. IN LEGISLATIVE ARENA
OPPOSITION HAS RESURRECTED THREE- AREAS BILL AND SEMS HEADED
FOR CONSTITUTIONAL SHOWDOWN ON NATIONALIZATION POLICY. THERE
IS MUCH TALK BUT AS YET NO DECISION ABOUT MOVE TO IMPEACH
ENTIRE CABINET AND HAVING CONGRESS SYMBOLICALLY DECLARE GOVT
" ILLEGITIMATE" FOR REPUTEDLY OVERSTEPPING CONSTITUTION
IN SEVERAL AREAS. PRIVATE SECTOR RESTLESSNESS IS ON RISE AGAIN.
END SUMMARY.

2. IN SESSION ENDING WEE HOURS APR 26, SENATE' S OPPOSITION
MAJORITY VOTED DOWN EXECUTIVE' S MODIFICATIONS (VETES) OF
" THREE- AREA BILL," LONG DORMANT OPPOSITION STRATEGEM FOR
CURBING UP EFFORTS TO CONSOLIDATE CONTROL OF WHAT' S LEFT OF
PRIVATE SECTOR. (CHAMBER OF REPS REJECTED SAME VETO MESSAGE
BACK IN JULY 1972 -- SEE SANTIAGO 3242/72.) IN SO DOING
OPPOSITION CONSCIOUSLY OPENED CONSTITUTIONAL PANDORA' S
BOX. BECAUSE OF FAR- REACHING IMPLICATIONS, CHRISTIAN
DEMOCRATIC LEADERSHIP OF SENATE SAT ON BILL FOR ALMOST A
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YEAR RATHER THAN RISK STARK CONFRONTATION WITH UP.

3. DEPT WIL RECALL THAT OPPOSITION CONTENTS SIMPLE MAJORITY SUFFICES TO OVERRIDE EXEC VETOES OF CONSTITUTIONAL BILLS. UP ARGUES THAT CONSTITUTION' S TEXT MAKES NO DISTINCTION BETWEEN CONSTITUTIONAL AMENDMENTS AND ORDINARY LEGISLATION VETOES OF WHICH REQUIRE TWO- THIRDS TO OVERRIDE. OPPOSITION INSISTS ALLENDE' S ONLY CONSTITUTIONAL ALTERNATIVE TO PROMULGATION IS TO CONVOKE NATIONAL REFERENDUM. UP PARLIAMENTARIANS HAVE ISSUED STATEMENT REAFFIRMING UP' S INTENTION TO SUBMIT THIS LEGAL ARGUMENT TO CONSTITUTIONAL TRIBUNAL (IN WHICH GOVT MAY HAVE EFFECTIVE MAJORITY). OPPOSITION REFUSES CONCEDE TRIBUNAL' S JURISDICTION IN ISSUE OF THIS SORT. IN PARALLEL MOVE, PN HAS BEGUN DEMAND REMOVAL TRIBUNAL MEMBER ENRIQUE SILVA CIMMA, PURPORTING CONFLICT OF INTEREST.

4. DETERMINATION TO EXHUME THREE- AREAS BILL WAS RATIFIED AT PDC' S NATIONAL COUNCIL MEETING APR 24 IN REACTION TO EXECUTIVE' S OVERRIDING CONTROLLER GENERAL ON ILLEGALITY OF INTERVENTIONS OF 42 COMPANIES THROUGH DECREE OF INSISTENCE (SANTIAGO 1591). BY MEANS OF THIS CONTROVERSIAL LEGAL DEVICE, ALLENDE OVERRODE CONTROLLER GENRAL' S REFUSAL TO APPROVE MOUNTING SERIES OF REQUISITION AND INTEVENTION DECREES DATING FROM OCT 1972 COMMERCIAL SHUTDOWN PERIOD. AT SAME MEETING PDC LEADERSHIP INSTRUCTED ITS PARLIAMENTARIANS TO PUSH AHEAD ON SO-CALLED MILLAS- PRATS BILL SO VEHEMENTLY PROTESTED BY SOCIALISTS WHEN INTRODUCED IN FEBRUARY. (AS IT STANDS BILL WOULD LEGISLATE EXPROPRIATION OF MANY FIRMS NOW IN GREY AREA AND COULD RESTORE OTHERS TO OWNERS.) OPPOSITION IS ALSO PRESSING FORWARD ON CONSTITUTIONAL AMENDMENT BILL INTRODUCED LAST YEAR BY SENATOR RAFAEL MORENO, TO SET ABSOLUTE 40 BASIC HECTARE FLOOR ON FARM EXPROPRIATIONS AND TO COMPEL GOVT TO VEST OWNERSHIP IN CAMPESINOS WITHIN TWO YEARS OF EXPROPRIATION. THESE ACTIONS ARE POINTED TOWARD BRINING TO HEAD THE 2 1/2 YEAR DEBATE OVER NATIONALIZATION POLICY.

5. SAME PDC COUNCIL MEETING AGREED TO DEFER DECISION ON WHETHER TO SEEK COLLECTIVE IMPEACHMENT OF CABINET PENDING CONFIDENTIAL

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CONTROLLER' S REPORT ON OFFENDING INSISTENCE DECREES. THIS MAY HAVE EFFECT OF POSTPONING DECISION UNTIL PDC' S MID-MAY NATIONAL JUNTA, AS SOME IN PDC NO DOUBT DESIRE. STRAW VOTE TAKEN AMONG PDC SENATORS REPORTEDLY SHOWED THREE-- PARTY PRES. FUENTEALBA, VP OLGUIN AND PRADO-- OPPOSED. AT SAME TIME, PN CHIEF JARPA CLARIFIED IN MAGAZINE INTERVIEW APR 25 THAT HIS PARTY HAD NOT YET COME TO DECISION ON IMPEACHMENT. JARPA ALSO BACKED OFF ON CONTENTION

BY PN SPOKESMAN, NOTABLY THE " MODERATE" SENATOR FRANCISCO BULNES, THAT ALLENDE ADMINISTRATION IS NOW " OPERATING ILLEGITIMATELY." THERE HAS BEEN MUCH TALK OF CONGRESSIONAL RESOLUTION IN THOSE TERMS, AND EVEN PDC FIGURES HAVE COME TO PORTRAY GOVT AS " ON THE VERGE OF ILLEGITIMACY." JARPA SAID THIS IDEA TOO HAD NOT BEEN FULLY CONSIDERED BY HIS PARTY. PRESUMABLY JARPA IS WARY OF GETTING TOO FAR OUT AHEAD OF PDC, THEREBY RISKING EMBARRASSING OPPOSITION SPLIT. WHETHER OR NOT THESE RELATED SMBOLIC MOVES PROSPER, THERE IS VIRTUAL UNANIMITY IN OPPOSITION WARNING THAT IF GOVT GETS AWAY WITH USING EXCEPTIONAL DECREE MECHANISM AS DAY- TO- DAY TOOL, WHAT IS TI IMPEDE ALLENDE FROM, IN EFFECT, GOVERNING BY DECREE. MUCH OF THIS ARGUMENT IS AIMED T MILITARY, WITH REMINDERS THAT GOVT HELD OFF ON THESE DECREES UNTIL MILITARY WERE SAFELY OUT OF CABINET.

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ACTION ARA-17

INFO OCT-01 ADP-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 DODE-00 PM-09 H-02 L-03 NSC-10

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FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4146
INFO USCINCSO

C O N F I D E N T I A L SECTION 2 OF 2 SANTIAGO 1808

6. HOSTILE MOOD WAS NOT HELPED BY SENATE VOTE APR 25 REMOVING FIREBRAND JAIME FAIVOVICH (PS) AS SANTIAGO' S INTENDENTE. VOTE WAS UNANIMOUSLY IN FAVOR; UP SENATORS EARLIER WALKED OUT. RATHER THIN CHARGES AGAINST FAIVOVICH WERE BASED ON HIS SUPPOSED ENCOURAGEMENT OF LEFT EXTREMISTS WHO SHOT AND KILLED TWO PDC YOUTHS NEAR LA REINA SQUATTER SETTLEMENT (SANTIAGO 1132).

7. HERETOFORE STORMY DEBATE ON WAGE READJUSTMENT BILL OFFERED SOME CONTRAST. CHAMBER FINALLY PASSED BILL ON PAR 24, BOWING TO CONSTITUTIONAL TRIBUNAL DECISION ON EXECUTIVE' S RIGHT TO DETERMINE LEVEL OF READJUSTMENT BUT STICKING TO OPPOSITION FORMULA FOR FINANCING (ON WHICH POINT TRIBUNAL FAVORED CONGRESS).

PRINCIPAL GOVT WORKERS UNION ANEF HELD RALLY
APRIL 25 DEMANDING FULL READJUSTMENT (BILL AS IT STANDS WOULD
GIVE FULL READJUSTMENT ONLY TO WORKERS EARNING FIVE SUELDO
VITALES OR LESS) AND THREATENING STRIKE.

8. EVERY DAY SINCE MILITARY LEFT CABINET BRINGS MORE EVIDENCE
AN OLD RESTIVENESS IN PRIVATE SECTOR AT " GREMIAL" LEVEL. RE-
TAILERS PRESIDENT RAFAEL CUMSILLE URGED HIS MEMBERSHIP TO
" TAKE OFFENSIVE" AGAINST WHAT HE TERMED GOVT BAD FAITH.
MERCHANTS' ASSN (SIDECO) OFFICIALS CHARGED THAT ONE OF THE
AS YET UNPUBLISHED DECREES OF INSISTENCE AUTHORIZES REQUISITION
OF COMMERCIAL ESTABLISHMENTS WHICH TOOK PART IN OCTOBER
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MOVEMENT. THEY WARNED THAT THEIR AFFILIATES WERE PREPARED
TO ADOPT " ENERGETIC AND DRASTIC MEASURES, EVEN TO THEIR
ULTIMATE CONSEQUENCES." MEANWHILE GOVT HASTENED TO DENY
RUMOR THAT ONE OF THE DECREES WOULD HOLD OVER TRUCKERS'
HEADS THE POSSIBLE RE- REQUISITION OF THEIR VEHICLES. IF
OPPOSITIONPRESS CAN BE BELIEVED, UP IS GEARING FOR YET
ANOTHER EFFORT TO TAKE OVER PAPELERA. REPORTS HAVE THEIR
ORIGIN IN RESOLUTION TO THAT EFFECT ADOPTED AT RECENT UP/ MIR
DOMINATED ASSEMBLY OF FORESTRY WORKERS. POWERFUL EXPLO-
SIVE REPORTEDLY FOUND AT PAPELERA' S PUENTE
ALTO PLANT HAS BEEN LINKED TO THESE RUMORS.

9. PRIVATE SECTOR UNHAPPINESS IS ALSO REFLECTED IN PN' S
THREATS TO TAKE UNSPECIFIED LEGAL ACTION AGAINST ECON MINISTER
MILLAS AND DISTRIBUTION CHIEF GEN ALBERTO BACHELET FOR
ALLEGEDLY ALLOWING JAPS TO OVERSTEP THEIR PREROGATIVES.
PDC DEPUTY- ELECT CARLOS DUPRE AND BACHELET HAVE EXCHANGED
HEATED PUBLIC LETTERS ON SAME SUBJECT.

10. UPSURGE OF VIOLENT INCIDENTS (SEPTTEL) UNDERSCORES GROWING
UGLINESS OF SITUATION. THESE, AND SUCH INSTANCES AS SENATOR
MORENO' S DECLARATION THAT PDC IS NOT AFRAID OF CIVIL WAR
IF THAT' S WHAT GOVT WANTS, RADOMIRO TOMIC' S WARNING TO GOVT
THAT " SITUATION RAPIDLY BECOMING UNMANAGEABLE," AND THE
BLOODYING OF MARIO PALESTRO (PS) BY ARTURO FREI (PDC) ON
CHAMBER FLOOR APR 24, RECALL SOME OF THEMORE AGITATED
PERIODS OF 1972.
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